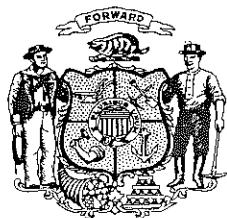


# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Mark Miller  
Representative Mark Pocan

Date: October 18, 2010

Re: Department of Children and Families Report on Wisconsin Shares Program

Attached is a report on the Wisconsin Shares Program from the Department of Children and Families.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP;jm

Jim Doyle  
Governor

Reggie Bicha  
Secretary



**State of Wisconsin**  
Department of Children and Families

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October 15, 2010

Honorable Mark Miller, Senate Co-Chair  
Joint Committee on Finance  
Room 317 East, State Capitol  
Madison, WI 53702

Honorable Mark Pocan, Assembly Co-Chair  
Joint Committee on Finance  
Room 309 East, State Capitol  
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

This letter provides the Department of Children and Families' October 2010 report on the Wisconsin Shares Program. The information below is a compilation of data requested by the Committee related to DCF's fraud prevention, investigation and overpayment collection activity.

Following is a summary of September 2010 efforts.

**Wisconsin Shares Fraud Prevention, Detection and Recovery Expenditures, September 2010**

*Expenditures related to fraud prevention and investigation: \$229,700*

The above amount represents the September 2010 costs of the Child Care Fraud Detection and Investigation Unit; information technology programming costs; and an estimate of county expenditures from their DCF fraud allocation related to investigating suspected fraudulent activity.

*Expenditures related to recovering overpayments due to error or fraud: \$35,900*

The September 2010 expenditures related to recovering overpayments due to error or fraud are estimated above. The Public Assistance Collections Unit (PACU) of DCF coordinates the Department's efforts to collect public assistance overpayments, including Wisconsin Shares, which are attributed to participant error or fraud.

*Overpayment and/or restitution collected by DCF: \$175,899*

In September 2010, DCF collected \$38,161 in child care overpayments that were the responsibility of the individual for whom the child care subsidy was paid plus \$137,737 in child care overpayments that were the responsibility of child care providers. These collections are the result of ongoing efforts to recover historical overpayments. Most collections to date are due to DCF as a result of an administrative finding that an overpayment has occurred.

*Overpayment and/or restitution collected by other agencies: \$0*

No overpayments and/or restitution collections have been reported by other agencies in September 2010 to DCF.

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**Providers Suspended from the Wisconsin Shares Program, September 2010**

During the month of September, DCF suspended payments to ten child care providers; nine were from Milwaukee County, and one was from Racine County. The Department continues to review the details of Milwaukee County suspensions with the Child Care Anti-Fraud Task Force.

Also, during September a total of \$559,099 in overpayments were established in the Department's tracking system against all providers suspended from the Wisconsin Shares program. Through September the cumulative total for overpayments established against suspended providers since January of 2009 stands at \$5,289,383.

**Automatic Authorization of Child Care Hours System**

*Number of changes made to authorized hours during the month: 2,761 changed authorizations*  
This figure reports the total number of active authorizations in September that were reduced by the automated system.

*Total reduction made to the authorized hours during the month: 32,474 hours*  
This figure reports the total number of hours taken off of active authorizations in September that were reduced by the automated system.

*Estimated savings in the month due to the automated authorization adjustment system: \$178,632*  
This is an estimate of the maximum potential savings for those active authorizations in September that were reduced by the automated system.

*Were child care quality improvements identified via use of the new system?* To date, no.  
The system was launched on May 15, 2010 and has not been in operation long enough to identify trends or anomalies that might suggest areas for making quality improvements.

*Estimated annualized ongoing costs to operate the automated system: \$50,000*  
The primary ongoing cost is for mailing notices to parents and providers. Ongoing staff time to run the automated check is estimated at 30 minutes per month.

Thank you for the opportunity to share information on the status of the Shares program.

Sincerely,



Reggie Bicha  
Secretary

cc: Dan Schooff, Department of Administration  
Bob Lang, Legislative Fiscal Bureau

**Wisconsin Shares Provider Suspensions**  
**September 2010**

Child Care Provider	County	Suspension Date	Suspension Reason	Payment Stopped?	Overpayment Established	Referred to Law Enforcement	Collection
Big Momma's Day Care	Milwaukee	09/04/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The Department has evidence that the provider significantly misrepresented the hours billed to the Wisconsin Shares Program by billing the Wisconsin Shares program for care that was not provided. In addition, the Department has determined that three previous inaccurate attendance records violations (dates ranging from 6/23/09 through 2/25/10) constitutes an inability on part of this particular provider to take corrective actions to curb fraudulent behavior	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A
Golden Rule Day Care Center, Inc	Milwaukee	09/04/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The Department has evidence that the provider significantly misrepresented the hours billed to the Wisconsin Shares Program. Surveillance showed that this provider billed for hours of care that the facility was not in operation. In addition, the Department has determined that 8 previous inaccurate attendance records violations (dates ranging from 6/20/06 through 7/28/10) constitutes an inability on the part of this particular provider to take corrective actions to curb fraudulent behavior.	Yes	Overpayment establishment pending per formal investigation completion	Yes	N/A

**Wisconsin Shares Provider Suspensions**  
**September 2010**

Heaven Sent Family Day Care Inc	Milwaukee	09/24/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. Attendance Records were requested on 12/11/09 for the dates of 9/1/09-11/27/09, at that time, September records were missing. This provider has billed the State of Wisconsin for a significant amount of hours for which care was not provided. After having reviewed the records collected and the September records that were later submitted by Heaven Sent, we have determined that they over billed the State of Wisconsin in excess of 6,000 hours.	Overpayment establishment pending per formal investigation completion	Yes N/A
Hickman's Academy	Milwaukee	09/24/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. An audit of attendance records compared with billing records found that there were significant hours improperly billed to Wisconsin Shares which is contrary to DCF 201.04(5)(e) and licensing rule DCF 251.04(6)(a)(6)(b).	Overpayment establishment pending per formal investigation completion	Yes N/A
Marshalllean Conner	Racine	09/24/2010	Racine County and the Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. Racine County has reasonable suspicion that Ms. Conner billed the state to care for her grandchildren who were considered to be members of her own household.	Overpayment establishment pending per formal investigation completion	Yes N/A

**Wisconsin Shares Provider Suspensions**  
**September 2010**

			Overpayment establishment pending per formal investigation completion	Yes	N/A
Shirley's Child Dev Ctr II, LLC	Milwaukee	09/04/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The Department has evidence that the provider billed the Wisconsin Shares program in 2008, 2009, and 2010 for 1) children no longer in attendance, 2) children never in attendance, and 3) more hours than the children had actually attended.	Yes	
Sweet Angels Community Center	Milwaukee	09/04/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The Department has evidence that the provider significantly misrepresented the hours billed to the Wisconsin Shares Program.	Yes	
Teela R Holley	Milwaukee	09/11/2010	The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The Department has been unable to verify the actual care of children by the provider on four occasions in the last six months (three in the month of August 2010). The Department has evidence that the provider's attendance and billing records reflect the provider was working at outside employment away from the day care; supporting the Department's reasonable suspicion that actual care of children by the provider was not occurring during these periods of time.	Yes	

**Wisconsin Shares Provider Suspensions**  
**September 2010**

The Kidzone Milwaukee	09/24/2010	<p>The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings including the provider's failure to have attendance records available at the child care site when the department requested to review them, and the provider's failure to maintain and submit accurate attendance records as required by the Shares program. The Department has been unable to verify the actual care of children at this facility. The Department attempted to visit this facility on 12/10/09, 1/21/10, and 8/5/2010 and was unsuccessful in gaining access to the facility. The unsuccessful attempt(s) to verify the presence of children attending the facility raises a strong and reasonable suspicion that they were billing the Wisconsin Shares program for children that do not actually attend.</p>	<p>Overpayment establishment pending per formal investigation completion</p> <p>Yes</p>	N/A
Vision Family Child Care Milwaukee	09/04/2010	<p>The Department of Children and Families suspended this child care provider from the Wisconsin Shares program due to a combination of red flags signifying Shares violations and investigative findings. The Department has evidence that through the weeks of 1/31/2010 – 3/28/2010, the provider billed for a significant number of hours when care was not provided. This inaccurate billing occurred after the provider signed a conditional reinstatement stipulation that states, "Vision understands that to continue to participate in the Wisconsin Shares program it must keep complete and accurate attendance records, including sign-in/sign-out sheets, signed on a weekly basis by the child's parent." This and other provisions of the stipulation were not adhered to.</p>	<p>Overpayment establishment pending per formal investigation completion</p> <p>Yes</p>	N/A